



Title: **UBO Policy Manual Update:
Proposed Revisions**

Session: **R-1-0800**



Objectives

- Understand new layout and reorganization of the UBO Policy Manual
- Recognize key changes in policy, procedures, and processes



Overview of Changes

- Revised to conform with new DoD Issuance Standards
http://www.dtic.mil/whs/directives/corres/writing/DOD_process_home.html (Scroll down to “STAGE 1,” click “b. Write the issuance,” and scroll down to “DoDM Standards”)
- DoD Manuals (DoDMs)...
 - Provide **detailed procedures for implementing policy** established in DoDDs and DoDIs
 - Include the specific procedural information formerly published as DoD publications
 - Shall be signed by the Heads of the OSD Components, Principal Deputies, or the OSD PAS officials as authorized by their chartering DoDDs
 - Shall be separated into two or more volumes if content exceeds 100 pages in length



Overview of Changes

- **Foreword Eliminated**

- Reorganizes introductory information into separate and distinct sections:
 - Purpose
 - Applicability
 - Releaseability

- **“Chapters” Eliminated**

- Reorganizes text into three “Enclosures” that follow introductory material:
 - Enclosure 1: References
 - Enclosure 2: Responsibilities
 - Enclosure 3: Procedures

- **Acronyms and Definitions Relocated**

- New “Glossary” located at the end of the document



Overview of Changes

- **Phrasing/Terminology**

- Wording revised/simplified to create better flow

- **References**

- Direct quotes from original source documents used when possible to prevent differences in interpretation

- **Language** → Must; Mandatory **y**

- Shall → Permissive; Allows for
- May → Expresses Future Expectations
- Will



Overview of Changes

- **Shall vs. May: An Example**

Forms of Acceptable Payment

Personal checks. Personal checks for more than the amount due ~~may~~ shall not be accepted. Personal checks for partial payments ~~may~~ shall not be accepted if they carry any conditional endorsements such as “payment in full.”

—Enclosure 3, Section 3: MSA



Overview of Changes

Old Format

C1. CHAPTER 1 INTRODUCTION

C1.1. SECTION TITLE

C1.1.1.

C1.1.2.

C1.1.2.1.

C1.1.2.2.

C1.2. SECTION TITLE

C1.2.1.

C1.2.1.1.

C1.2.1.2 .

C1.2.1.3.

New Format

ENCLOSURE 3 PROCEDURES

1. SECTION TITLE

a. Paragraph Heading. I

(1) Subparagraph Heading

(a)

(b)

1.

a.

b.

2.

(2) Subparagraph Heading

b. Paragraph Heading

c. Paragraph Heading



Purpose

- **The Proposed Revision...**

- **Reissues DoD 6010.15-M** in accordance with the **authority in DoD Instruction 6015.23** to provide guidelines for the operation of Military Treatment Facility (MTF) business offices. It **prescribes uniform policies and procedures** and accounting practices for the management and follow-up of accounts, including recovery, depositing, posting, and reconciliation. It also incorporates procedures for third party collection activities, such as identification of beneficiaries who have other health insurance, coordination of benefits, and recovery of claims.



Applicability

- **This Manual Applies to...**

- Office of the Secretary of Defense
- All Military Departments
- Chairman of the Joint Chiefs of Staff
- Combatant Commands
- DoD Components (U.S. Coast Guard, National Oceanic and Atmospheric Administration (NOAA), U.S. Public Health Service (PHS), Department of Veterans Affairs, and International Military Staff)

- **Does NOT apply to** DoD Component facilities not involved in direct patient care:

- Medical Research Facilities
- DoD Component facilities for field service
- DoD Component facilities afloat
- DoD Component tactical casualty staging facilities
- Medical advance base staging facilities
- Non-fixed deployed medical assets



Enclosure 3, Section 1: Introduction

- No significant changes
- Provides a brief description of the MSA, TPC, and MAC programs
- Refers readers to UBO Web site for more detailed policy guidance:

http://www.tricare.mil/ocfo/mcfs/ubo/policy_guidance.cfm



Enclosure 3, Section 2: Compliance

- This section shall be used as **a tool to help MTF UBOs implement effective internal controls** that promote adherence to applicable Federal laws relating to health care billing through the implementation of a UBO compliance program.
- **Applies to:**
 - MSA, TPCP, and MAC Programs
 - Additional health care billing activities designated by the DoD, such as DoD/Veterans Affairs (VA) Resource Sharing Agreements
- **MTFs are responsible for implementation,** maintenance, and oversight of an active compliance program whether or not the UBO program is staffed by government personnel or civilian contractor staff.



Enclosure 3, Section 2: Compliance

- **Compliance Program Minimum Requirements:**

1. Written policies and procedures
2. Procedures to implement HIPAA administrative simplification, privacy, standardization, and security standards
3. Regular monitored education and training programs for all affected employees
4. Effective and efficient lines of communication
5. Enforcement of standards



Enclosure 3, Section 2: Compliance

- **Compliance Resources Available are on UBO Web site at http://www.tricare.mil/ocfo/mcfs/ubo/policy_guidance/letters.cfm**
 - DoDI 5505.12: Anti-Fraud Program at Military Treatment Facilities (October 19, 2006)
 - Compliance Plan Implementation Policy (February 28, 2002)
 - Compliance Audit Requirements (February 27, 2008)
 - Compliance Plan/Code of Conduct acknowledgement form
 - UBO Compliance Certification Memo (Template)
 - Sample Uniform Business Office Compliance Committee Charter
 - TPCP Claim Post-Submission Review Worksheet
 - MSA Claim Post-Submission Review Worksheet
 - MAC Claim Post-Submission Review Worksheet
 - Compliance Audit Checklist
 - Annual Review of Compliance Program Effectiveness Checklist
 - Model Compliance Document



Enclosure 3, Section 3: MSA

● Billing Procedures—In General

- Patient OHI data, credit card information, and other applicable means of reimbursement for health care services shall be captured immediately upon arrival for an outpatient appointment, ambulatory procedure visit-or, surgical encounter, and inpatient admission.

★ Billing Other Federal Government Agencies, Department Of Veterans Affairs, Department Of State, And Other Special Categories

- MTFs will provide detailed billing for the U.S. Coast Guard, NOAA, and PHS, through their chain of command for Headquarters monthly billing. Documentation shall include SF 1080 supported by DD Form 7 or 7A with adequate detail to adjudicate a bill.



Enclosure 3, Section 3: MSA

- **Procedures for Charging Fees for Trauma Care and “Other Medical Care” to Civilians**
 - Except in the cases where another government agency would be the payer and circumstances involving International Military Education And Training (IMET), Foreign Military Sales (FMS), or the North Atlantic Treaty Organization (NATO) as provided in sections 3t and 3x of Enclosure 3 in this Manual, MTFs shall charge civilian patients who are not eligible beneficiaries (or the insurers of these patients) for the reasonable charge, as determined by the Secretary of Defense, for trauma and other medical care.



Enclosure 3, Section 3: MSA

- **Change Funds**

- The minimum amount of funds required to provide a separate internal MSA change fund shall be maintained for each assigned, alternate-~~or~~, and relief cashier. Refer to Volume 5, Chapter 3 (Keeping and Safeguarding Public Funds) of Reference (h) to determine minimum funds required.

- **Responsibility for Loss of Funds and Actions to be Taken**

- If a loss occurs, the appropriate action to be taken shall be consistent with the procedures outlined in ~~subsections 060302 and 060403 of~~ Volume 5, Chapter 6 (Irregularities In Disbursing Officer Accounts Physical Losses of Funds, Erroneous Payments, and Overages), of Reference (h).



Enclosure 3, Section 3: MSA

- **Separation of Duties**

- A separation of duties is required for the processing and recording of accounts receivable activities. The same individual shall not be responsible for recognizing and recording the accounts receivable, collecting, and depositing cash funds.



Enclosure 3, Section 3: MSA

● Accounts Receivable

- In accordance with Volume 4, Chapter 3 (Receivables), of Reference (h) and the May 2008 Defense Health Program Accounts Receivable Policy (Reference (i)), the MSA office shall ensure an accounts receivable is established recognized and recorded for ~~any~~ all health-related services ~~or supplies and goods provided~~ requiring payment from ~~an~~ outside activity. others. If payment is not received when a right to payment is recognized, all accounts receivable shall be aged in accordance with provisions made by the Under Secretary of Defense (Comptroller) (USD(C)) (Reference (h)) and HA TMA (Reference (i)).



Enclosure 3, Section 3: MSA

● Settling Outstanding Accounts Receivable

- The MSA office shall make every effort to collect accounts receivables before they become delinquent. Accounts Delinquent accounts receivable are delinquent if receivables that are not paid within thirty (30) days of the inpatient hospital discharge or outpatient date of ~~the I&R or~~ notice of payment due. service.
- For civilian emergencies whose health insurance plan has been billed, the MSA office will send a follow-up letter after thirty (30) and sixty (60) ~~and ninety (90)~~ days from the initial due date, which is thirty (30) days from the date of ~~initial invoice. hospital discharge or outpatient date of~~ service.



Enclosure 3, Section 3: MSA

- **Old Version:**

~~The MSA office will transfer delinquent accounts with other Federal agencies not settled within 180 days of the first billing, to the servicing accounting and finance office for collection according to Service guidelines.~~

- **New Version:**

The MSA office shall transfer delinquent account receivables from third party insurance companies totaling \$600 or more and individual delinquent account receivables of \$225 or more, that are not settled within 180 days of hospital discharge or outpatient date of service, to the Defense Finance and Accounting Service (DFAS) or the Department of Treasury for further collection action, in accordance with the Debt Collection Improvement Act (DCIA) of 1996. Follow Service-specific guidelines for handling of delinquent third party payer accounts less than \$600 and individual delinquent accounts less than \$225. See Volume 4, Chapter 3 of (Reference (h)) for additional information.



Enclosure 3, Section 3: MSA

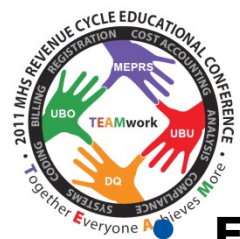
● Procedures for Transferring Delinquent Accounts

- When an account receivable becomes delinquent, over 180 days from hospital discharge or outpatient date of service, the MSA office shall transfer it to ~~the appropriate servicing accounting and finance office~~ DFAS or the Department of Treasury for further collection action or write-off. Refer to ~~Section 3104 of Volume 5, Chapter 31 (Debt Compromise: Suspending And Terminating 28 (Management and Collection Activity; of Individual Debt Write-Off And Retention)~~, in Reference ~~(fh)~~ for additional guidance on debts that are determined to be uncollectible ~~to be consistent with the Office of Management and Budget guidance in Circular A-129, "Policies for Federal Credit Programs and Non-Tax Receivables" (Reference (h)).~~



Enclosure 3, Section 3: MSA

- **Additional Guidance from TMA Accounting Forthcoming:**
 - Interagency Debt
 - Collecting Interest Payments
 - Advance Payments



Enclosure 3, Section 3: MSA

Elective Cosmetic Procedures

- In accordance with HA Policy 05-020: Cosmetic Surgery Procedures in the Military Health System (Reference (k)), **only TRICARE eligible beneficiaries** (active duty and their dependents, retired members and their dependents, and survivors), **who will not lose TRICARE eligibility for at least six months, may receive elective cosmetic surgery in an MTF.**
- **Elective cosmetic surgery services shall be paid in advance.** Procedures may not be scheduled until the total estimated charges are paid and the patient has signed a letter acknowledging financial responsibility for any additional charges.
- **Records for each cosmetic surgery encounter shall be reconciled after the date of surgery to ensure that advance payments made match services rendered.** Patients shall be billed for any additional procedures, supplies, pharmaceuticals and/or applicable ancillary services rendered that were not part of the patient's initial prepayment. Similarly, a refund may be necessary if reduced services are provided.



Enclosure 3, Section 4: TPCP

- To achieve 100% contact rate, each MTF shall establish a process to verify whether or not a patient has OHI (including pre-admitted inpatient and APV patients). If the patient enters the MTF through the emergency department, OHI information may not be obtained until after the patient is stable.
- TPCP staff shall ~~discuss with~~ be responsible for educating staff to ensure that patients receive adequate explanations about the requirements and benefits of the TPCP, the types of policies and plans subject to collection, and the patient's responsibility.
- All patients, including those on active duty, who have sustained an injury, shall be asked if the injury is accident or work-related. If the patient states that his or her admission/visit is due to an injury sustained in an accident, the interviewer shall obtain relevant accident insurance information. Refer to Enclosure 3, section 5 (Medical Affirmative Claims), of this Manual for further guidance.



Enclosure 3, Section 4: TPCP

- Old Version

- MTFs may not enter into participation or preferred provider agreements with third-party payers. Participation and preferred provider agreements are predicated on State and local laws, whereas MTFs are governed by Federal statutes and regulations.

- New Version

- Third-party payers are required to abide by the provisions of section 1095 of Reference (c) and Part 220 of Reference (o). In accordance with section 220.3(c)(4) of Reference (o), third-party payers may not require an MTF to enter into a participation agreement or other contractual vehicle. Third-party payers may not deny or reduce claims based on the fact that care was rendered in a Government facility.



Enclosure 3, Section 4: TPCP

- Third-party payers may not require beneficiaries to sign an “assignment of benefits” form with the MTF as a condition of payment to the MTF. The DD Form 2569, signed by the patient, shall serve as the “assignment of benefits” and shall be furnished to the third-party payer upon request.
- ★ MTFs shall have denial management protocols and _____ processes to review and adjudicate all OHI denials. Follow Service-specific guidelines.



Enclosure 3, Section 5: MAC

- **Old Version**

- ~~The Medical Affirmative Claims (MAC) is the military program that primarily addresses claims for the recovery of the reasonable value of medical care furnished by (or through) the United States, including TRICARE subcontracted providers, to Uniformed Services beneficiaries—including active duty.~~

- **New Version**

- Pursuant to the **Federal Medical Care Recovery Act (FMCRA)** (Reference (r)), the United States may recover in any case in which the United States is authorized or legally required to furnish or pay for hospital, medical, surgical, or dental care, and treatment – including durable medical equipment and supplies – to a person who is injured or suffers an illness under circumstances creating tort liability in a third party.



Enclosure 3, Section 5: MAC

- The Government may not collect more than the total charge of medical care from any one source or combination of sources. If total payments received exceed the amount billed, the MTF shall refund the overage to the health insurer.



Enclosure 3, Section 6: Charges for Medical Services

- Outpatient Itemized Billing
 - The MTF shall submit claims for every service for which there is a rate.
 - Each MTF shall recognize and record a receivable when it establishes a claim based on goods or health-related services provided.



Enclosure 3, Section 6: Charges for Medical Services

- **Billing for Newborn Care**

- Newborns of dependent daughters of Uniformed Services beneficiaries, and former service members shall be billed separately from the time of birth in accordance with HA Policy 07-026, Policy for Billing Non-Department of Defense Beneficiary Newborns (Reference (t)). An MTF may elect to use Secretarial Designee authority in accordance with Service-wide policy as stated in Reference (t).

- No charge for telephone consults/assessments

—HA Policy 07-005 (19 April 2007)



Enclosure 3, Section 7: Subsistence Charges

- ★ In accordance with the **National Defense Authorization Act for Fiscal Year 2009**, MTFs may not charge members of the Armed Forces receiving inpatient or outpatient care for an injury, illness, or disease incurred in support of Operation Iraqi Freedom, Operation Enduring Freedom, or any other operation or area designated by the Secretary of Defense as a combat operation, or in an area designated as combat zone. (See Reference (u).)



Glossary: Definitions

● **New Definitions: Examples**

- accounts receivable. Receivables arise from claims to cash or other assets against another entity. At the time revenue is recognized and payment has not been received in advance, a receivable must be established. Receivables include, but are not limited to, monies due for the sale of goods and services and monies due for indebtedness as described in Volume 4, Chapter 3 of (Reference (h)).
- APU. Designated MTF-approved locations or areas that are specially equipped and staffed to perform the level of care associated with APV services. APUs provide a coordinated program of care for patients usually requiring care that lasts less than 24 hours.



Summary

- **Major Revisions**

- Addition of new policies and procedures established since last revision
- New layout and format
- Elimination of step-by-step instructions

- **Minor Revisions**

- References updated
- New definitions added
- New phrasing for existing policies and procedures

- *May be additional changes pending responses from Senior Leadership during formal coordination process*